

September 28, 2010

CLERK, U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA

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UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

In re:

JUAN CARLOS MORALES and
 JESSIKA IVANNA MORALES,
 Debtors.

Case No. 09-18610-B-11

Chapter 11

DC No. KDG – 11

Date: July 15, 2010

Time: 9:00 a.m.

Place: Bankruptcy Court

2500 Tulare Street

Courtroom 12, 5th Floor

Fresno, California

Judge: Honorable W. Richard Lee

**FINDINGS OF FACT AND CONCLUSIONS OF LAW
 IN SUPPORT OF FINAL APPROVAL OF DISCLOSURE
 STATEMENT AND CONFIRMATION OF DEBTORS'
 MODIFIED PLAN OF REORGANIZATION DATED JULY 24, 2010**

I. Introduction¹

Confirmation of the *Debtors' Modified Plan of Reorganization Dated July 24, 2010* (the "Plan") filed by Juan Carlos and Jessika Morales ("Debtors"), came on for final hearing on August 4, 2010, at 3:00 p.m. after notice to Debtors, the United States Trustee, all creditors and parties requesting special notice. Lisa Holder, Esq., appeared on behalf of the Debtors and other appearances were made as set forth on the record.

Capitalized terms not otherwise defined herein have the same meaning as set forth in the Plan.

RECEIVED

August 26, 2010

CLERK, U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
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The Court reviewed the Plan, the *Worksheets for Determining Acceptance of Plan of Reorganization* submitted by Debtors, the *Memorandum of Points and Authorities in Support of Confirmation of Plan of Reorganization Filed by Debtors*, the *Declaration of Juan Carlos Morales in Support of Confirmation of Plan of Reorganization Filed by Debtors*, the *Ballots on Plan of Reorganization filed by Debtors*, and considered the comments made on the record by counsel for Debtors.

After determining that copies of the Plan and the conditionally approved *Debtors' Disclosure Statement Dated May 21, 2010*, had been served on Debtors, the United States Trustee, all creditors, parties in interest, and parties requesting special notice, the Court makes the following findings as more fully described on the record at the final hearing held on August 4, 2010:

II. Findings of Fact and Conclusions of Law

1. the *Debtors' Disclosure Statement Dated May 21, 2010* filed by Debtors on May 24, 2010 ("the Disclosure Statement") contains "adequate information" as required by 11 U.S.C. section 1125;

2. *Debtors' Modified Plan of Reorganization Dated July 24, 2010*, filed by Debtors as modified in the confirmation order on July 24 2010, complies with the applicable provisions of Chapter 11 of the Bankruptcy Code and meets the requirements of 11 U.S.C. § 1129 as more fully described below;

3. The Plan is proposed in good faith and not by any means forbidden by law;

4. Any payment made or promised by Debtors or the estate for the services or for costs and expenses incurred in connection with the case, or in connection with the Plan and incident to the case, have been disclosed to the Court;

5. A holder of a claim or interest of an impaired class that has accepted the Plan has, or will receive or retain under the Plan, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would receive or retain if the estate was liquidated under Chapter 7 on account of such claim;

6. The Plan has been accepted by at least one class of claims impaired under the Plan, excluding insiders of Debtors;

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1 7. Confirmation of the Plan is not likely to be followed by the liquidation or the
2 need for further financial reorganization of Debtors except as proposed in the Plan; and
3 ^{must}

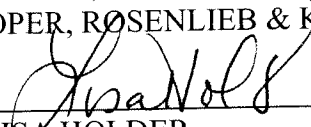
4 8. All required Court and United States Trustee fees ~~will~~ be paid before the
5 Effective Date of the Plan.

6 9. Notice of the hearing on final approval of the Disclosure Statement and
7 confirmation of the Plan was adequate and, based upon the foregoing, good cause appears for
8 the entry of an Order approving the Disclosure Statement and confirming the Plan.

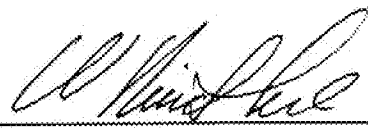
9 10. The Court will issue a separate Order approving the Disclosure Statement and
10 confirming the Plan and setting specified deadlines as set forth in the Plan.

11 **Respectfully Submitted By:**

12 KLEIN, DeNATALE, GOLDNER,
13 COOPER, ROSENLIEN & KIMBALL, LLP

14 By 
15 LISA HOLDER,
16 Attorneys for Debtors

17 **Dated:** September 28, 2010

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20 W. Richard Lee
21 United States Bankruptcy Judge
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